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## THE CONSUMERS' COÖPERATIVE MOVEMENT IN CHICAGO

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Much has been said and written in regard to the high cost of living. Marvelous and many are the theories advanced to cheapen table necessities. Ordinarily a topic so much discussed would have become stale long ago but this one seems ever new. Out of it all, however, will soon come some workable plan that will enable consumers to get together in a spirit of helpfulness and organize for mutual protection.

People well informed have no fight to make with the average run of middlemen. A very large percentage of them are progressive citizens and honest to the core. They have been and still are performing a great service, and but few of them are getting rich. Their multiplicity, however, is largely responsible for the high cost of living today, and in addition to this they are hampered by a clumsy, antiquated, wasteful system of distribution. It is this entire system that we are warring against, and it must eventually be stored away in the world's garret among other second-hand and discarded methods of commerce.

The following form of illustration is old, but the stage setting here is new. Woodlawn is a part of Chicago, a resident district, and yet, in a section seven blocks long and three blocks wide there are 35 retail grocery stores, meat markets and delicatessens, all told. It does not take any great stretch of the imagination to see the endless and enormous expense including clerk hire, telephones, rentals, interest on investment, delivery service, insurance and a dozen other items, all of which the consumer must pay. I live in a small apartment building in Woodlawn, and there are at least seven or eight different grocery and market wagons, belonging to as many different firms, that deliver goods at that building from one to three times daily.

This is not economy—it is burning money.

One coöperative grocery and meat market combined located anywhere in the territory mentioned could easily handle all the business

and give as perfect service to all the people as they are now getting. Such a store would necessarily be so large as to enable it to buy in carload lots almost every commodity it needed. It could easily save 10 per cent on account of its buying power and cost of delivery, and 10 per cent more in overhead expense, or a total of 20 per cent in the present cost of living in that community. Then take into consideration the profit, for all goods would be sold at a profit above cost and operating expenses, and there is no question in the mind of any sane man that 25 per cent could easily be returned to the patron if the business were conducted on the same level of prices that it is today.

We have mentioned but one store. If there were 40 or 50 of these coöperative establishments scattered over Chicago, with a coöperative wholesale store in connection, also a coöperative receiving center with a cold storage plant, all working together with the retail stores, then the profits would be even larger than indicated above.

If every family in Woodlawn would take stock to the amount of \$20 in the kind of a local coöperative store mentioned here, it would not only get 6 per cent interest on the investment, but would easily receive every year in dividends at least twice the purchase price of the stock, provided its yearly grocery bills amounted to around \$400. There is no sentiment about this. It is simply a matter of figures, a matter of economy and a matter of business. Let us suppose that these profits are exaggerated. Cut them in half and even then there is a big return on the investment, and the cost of table necessities would be reduced to as low a basis as we may ever expect to see them under the present standard of living.

There is now a coöperative store in Chicago located in Hyde Park adjacent to Woodlawn called the U. S. Coöperative Company. It has been in business about one year. It is incorporated under the coöperative incorporation laws of Wisconsin, which provide that a stockholder shall have but one vote, and limits the number of shares which one person may own to 100 at \$10 each, par value. It also provides that the directors shall apportion the earnings by first paying dividends on the paid-up capital stock not exceeding 6 per cent per annum, then setting aside not less than 10 per cent of the net profits for the reserve fund until an amount has accumulated in said reserve fund equal to 30 per cent of the paid-up capital stock, and 5 per cent thereof for an educational fund to be used in teaching coöperation, and the remainder of said net profits

by uniform dividend upon the amount of purchases of shareholders and upon the wages and salaries of employees, and one-half of such uniform dividend to non-shareholders on the amount of their purchases, which may be credited to the account of such non-shareholders on account of capital stock of the association.

The plans of the men who organized the U. S. Coöperative Company were to establish coöperative stores in the different resident sections of Chicago, or rather get the people living in those sections to do this work themselves. These stores were all to be in the same company and under one management. Five stores of this kind would constitute a fair buying power, 25 would give a greater buying power than any other retail grocery institution in the city, and 40 or more would enable the U. S. Coöperative Company to establish its own receiving center for fruits, produce, and groceries of every kind and sort. All of these commodities could then be purchased in carloads if necessary and distributed by auto trucks to the different coöperative stores.

To my mind this is the most practical method yet proposed for reducing the cost of distribution, and this is the question of the hour. It has been worked out along these lines in other countries and by people who do not claim to be half as smart nor half as rich as the people of American cities. To be sure, the population in Chicago is largely made up of "cliff dwellers" leading a nomadic life—here today and away tomorrow—but if we can have a good coöperative store in every community and all in the same organization, we will catch the nomads going and coming, for no matter to what community they move they will find there their coöperative store.

The coöperative store idea is a very inviting proposition when put upon paper, but it has many drawbacks. Perhaps it were better to say that human nature is the drawback rather than the problems of the store. The coöperative principle of operation is the very antithesis of cut prices and bargain sales, for these are usually a delusion and a snare, an easy way to fool the people, and there are many always waiting to be taken in. Therefore, when a coöperative store commences business, the other merchants quickly arrange a "price cutting" campaign. One will drop the price on sugar, another on onions, another on meats, and another on something else for the purpose of perplexing the economical housewife who may be by nature and education a bargain hunter. It is a matter of record that

some people will spend 10 cents carfare to save a nickel on a few quarts of beans, or 2 or 3 cents on some other commodity. It takes time to overcome this habit, but most people finally learn that standard goods, correct weights and measures, fair and reasonable prices, are the cheapest in the long run, provided these goods are purchased at a coöperative store that returns all profits to its customers on the basis of patronage.

A coöperative store is a great educator and teaches the people to work together in the spirit of mutual respect. It will take some fight and some sacrifice to make it a success, but this is always the price of putting righteousness in the place of wrong. No great good can be accomplished in any other way. The stockholders of the U. S. Coöperative Company are mostly business and professional men, and among them are many University of Chicago professors. The members of the local committee having the store in charge are called the "fighting ten." These men together with others usually spend one or two evenings each week trying to interest their neighbors in coöperation. There is also a committee of ladies which is carrying on an educational campaign by holding meetings in different sections of Hyde Park and Woodlawn. The men and women of these committees also go into other resident sections of the city to attend meetings called to discuss the coöperative idea. In one or two of these districts where meetings have been held nearly enough money has already been subscribed to operate a store.

Coöperation is rapidly gaining in Chicago. Many of the largest women's clubs in the city have placed this topic on their program for the coming year. Several of the most influential churches in different resident sections have thrown wide their doors to meetings called to discuss the problem of a coöperative store. One or two prominent pastors have devoted an entire Sunday morning sermon to this topic. A few weeks ago a young colored gentleman called at the office of the writer to get information in regard to the forming of a coöperative organization. He said the colored people wished to have a coöperative store. It was evidently no idle dream on his part, for the daily papers some ten days ago contained an account of a coöperative wholesale and retail grocery being organized in the negro business and resident district of the city with a capitalization of \$100,000. These are but few of the many straws that show the current of the stream.

And so the good work goes on. It will take time, but eventually coöperation will win out. It is winning everywhere. There will be failures now and then, but taking the coöperative proposition as a whole, the percentage of failures is smaller than in any other profession or occupation in the United States. Failure of a coöperative concern is usually heralded the country over, even by publications that never mention a successful enterprise of the kind.

Much has been said about municipal markets, direct purchasing by consumers, purchasing by hamper route, housewife leagues and other similar methods. These may all have some merit, but in a measure they are largely makeshifts. There is no use in fooling about this proposition, and the people might as well "get down to brass tacks" at once. The market basket has gone with the stage coach, the old dash churn, the grain cradle and the scythe. The average housewife in the city is not going to tramp to market and carry home groceries of every kind and sort. No well informed and reasonable person expects her to do this. There are certain sections in every city where the municipal market might prove a blessing to a large number of people, but it will hardly appeal to the great average class of city dwellers who have neither the time nor the inclination to do their marketing in person and carry home the goods themselves.

Marketing by telephone has come to stay. This might just as well be taken into consideration when casting around for some permanent and economic system for reducing the cost of distribution and thereby lowering the price of table necessities. To be permanent, the economic system that we are searching for must have all the conveniences of the present system and more, for we are living in an age of progress.

Producers everywhere are doing all they can to bridge the chasm between the consumer and themselves. On April 8, 9 and 10 of this year more than 450 delegates, representing 37 different states, met in Chicago. It was called the "First National Conference on Marketing and Farm Credits." It was an assembly of resourceful and brainy men, fruit growers, vegetable growers, grain growers, college presidents, agricultural college professors, in fact men from most every walk in life. The main object of this meeting was to devise, if possible, a more economic system of distribution, and after all the addresses and discussions the conference was unanimous as to the rem-

edy—coöperative organizations of consumers working directly with the producers, or rather with coöperative organizations of producers.

This is the trend of the economic and social spirit of the times. The farmers on the great prairies and by the wooded rivers are not alone in this onward movement, for the same feeling is found wherever men toil and think. Never before have the people in their daily living been so nearly in accord with the teachings of the golden rule, and never before have so many men and women been willing to labor in the ranks for the common good. This is the spirit of coöperation, and though it may not cure every social and commercial ill, it will "sweeten the waters of human life and pluck many a thorn from the pathway of mankind."